

An illustration of a hand holding a black telephone receiver, positioned as if about to place it on a black corded telephone base. The background is a solid light blue color.

# 10 Secrets to Boosting First Call Resolution

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## Introduction

In a challenging economic environment, holding on to existing customers is just as important as attracting new ones. Customer retention is one of many reasons that satisfying customers has become a key priority among progressive enterprises.

The practical impact at the contact center is to take a fresh look at the metrics that drive performance. First call resolution (FCR) has garnered a lot of attention lately; while it is widely recognized that FCR is one of the top drivers of customer satisfaction, actual usage of this important metric is surprisingly low.

In this eBook, we will explore the reasons why contact centers should implement FCR as an essential key performance indicator (KPI), discuss some of the challenges associated with definition and measurement, and suggest practical steps contact centers can take to capture this metric and improve performance.

One of the major points of contention surrounding FCR is what the acronym stands for: is it first contact resolution or first call resolution? A purist would contend that first *contact* resolution is the proper metric, and while tracking all contacts is most reflective of the true customer experience, it is often impractical, expensive and sometimes impossible to develop meaningful metrics that encompass all touch points. For these reasons, we will limit our discussion to first *call* resolution.

The good news is that you can measure and manage first call resolution. Implementing sound practices coupled with an appropriate technology solution makes it possible to measure, understand, evaluate and improve this essential performance metric.



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**FCR is an essential metric for any contact center for two simple reasons: it drives customer satisfaction and reduces operating costs.**

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## Customer Care as a Key Priority

Have you noticed how companies tout their high customer satisfaction ratings through various media and advertisements? Winning a J.D. Power and Associates customer satisfaction award is the corporate equivalent of an Olympic gold medal, unleashing a flurry of press releases and executive chest-thumping. Chief executives regularly talk about the importance of customer care in their annual reports. ADT Security Services, Vonage America and Cox Communications are just a few of the many companies that have created VP-level positions directly responsible for the quality of customer care in their enterprises.

“Caring for our customers” has gone beyond a popular management catch phrase to a serious corporate priority. Consider that almost two-thirds (64 percent) of US firms said that customer experience played a critical role in their strategy in 2008, according to the management consulting firm Peppers & Rogers Group.

Clearly, customer satisfaction has taken its place among the core metrics that measure an organization’s accomplishments against its stated goals. As seen in Figure 1, when senior-level managers were asked which metrics they would like to have in addition to traditional financial measures, customer satisfaction ranked second only to employee commitment.

While a customer-centric perspective impacts the entire organization, the contact center—as a primary entry-point to the enterprise—is often tasked with more than its fair share of responsibility for achieving high-quality customer care. This requires a fresh examination of the metrics used to measure performance.

*Figure 1: In What Areas Would Senior Management Benefit From Higher-Quality Information? (Top Five)<sup>1</sup>*

Employee commitment	58%
Customer satisfaction	48%
Innovation	36%
Quality of governance/management processes	35%
Impact on society/environment	32%

<sup>1</sup> Scott Leibs, “Measuring Up,” *CFO Magazine* (June 2007).

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## Metrics That Matter

Traditional, or first generation, call metrics have been around since the 1970s when automated call distributors (ACDs) first came on the scene. They include service level, answer time, adherence, occupancy, abandonment, queue time and about 100 others. First generation metrics have very specific meanings and, for the most part, are calculated in the same way. They can be charted over time and benchmarked against peer groups.

The main drawback of first generation metrics is that they speak to processes, rather than outcomes. This leads to management by and for the numbers, even if they bear little or no relationship to the goals of the enterprise.

In recent years, there has been a growing debate about “metrics that matter.” The discussion centers on defining and calculating metrics that are more closely aligned with the objectives of the enterprise. Where the primary mission is sustaining and growing revenue, metrics like revenue per call and customer retention rates are the most pertinent. If the mission is to keep costs down (perhaps at the expense of revenue growth or customer satisfaction), then traditional metrics like calls per agent, average handle time (AHT) and occupancy rate are more appropriate.

When the corporate mission is to be the best-of-breed in customer care, a new set of metrics is required. Customer satisfaction data cannot be readily churned out by the ACD. Lowell Bryan, a McKinsey consultant and co-author of *Mobilizing Minds: Creating Wealth from Talent* said, “Metrics make the intangible more tangible.” The intangible in this case is customer satisfaction. Although challenging, measuring satisfaction is possible through some inventiveness on the part of the contact center.



A growing practice is direct measurement via customer surveys. Callers are asked to rate their level of satisfaction on some form of scale. Another way is to get at the issue more obliquely by examining the drivers of customer satisfaction. More work needs to be done, but at this point the two metrics that have shown the closest correlations are time to answer and FCR. Time to answer should not be a surprise; callers don't like to be held in queue. The longer they wait, the more impatient they get. Often, all that time waiting is spent making a mental list of all the things they can ask when the agent finally comes on the line. FCR is known to be a direct driver of customer satisfaction. Very simply, it means to the caller that their question has been answered or issue resolved. Having to call back usually means the issue festers longer and the caller may once again have to wait in queue. FCR should be measured by every contact center that strives to maintain loyal customer relationships.

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When the mission is to be the best-of-breed in customer care, a new set of metrics is required.

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## Why Is Measuring FCR Important?

First call resolution is an essential metric for any best-in-class contact center for two simple reasons: it drives customer satisfaction and reduces operating costs.

### Customer Satisfaction

SQM Group has been conducting FCR benchmarking studies since 1996. Based on findings from a 2008 study of over 400 leading North American contact centers, every 1-percent gain in FCR directly translates into a 1-percent gain in customer satisfaction. According to Mark Desmarais, SQM Group president, "The metric we believe is most important for measuring and managing contact center customer service and cost performance is...you guessed it...FCR!" Dr. Jon Anton and his team at BenchmarkPortal found that "first/final" (another term for first call resolution) had the strongest positive correlation with customer satisfaction. Finally, strong anecdotal evidence comes from Dr. Jodie Monger, president of Customer Relationship Metrics, a recognized leader in customer satisfaction measurement. According to Dr. Monger, "Field experience in measuring customer satisfaction indicates that caller satisfaction—both with the customer service representative and with the company in general—will be 5 to 10 percent lower when it takes more than one call to resolve the issue than it is when the issue is resolved on the first call."

- A 5% reduction in customer defections leads to a boost in profits of up to 85%.<sup>2</sup>
- A 1% change in the American Customer Satisfaction Index is associated with a 1.016% change in shareholder value (approximately \$275 million for Fortune 500 firms).<sup>3</sup>
- Satisfaction is a leading indicator of future behavior and financial performance.<sup>4</sup>
- 75% of consumers say they would do business with a company based on a great call center experience, and 50% say the last time they stopped doing business with a company was partly or wholly due to poor customer service.<sup>5</sup>
- One out of six customers could be at risk because they were not satisfied with their last contact center interaction.<sup>6</sup>

2 Frederick F. Reichheld and W. Earl Sasser Jr., "Zero Defections: Quality Comes to Services," *Harvard Business Review* (September 1990).

3 Eric Anderson and Duncan Simester, "Long-Run Effects of Promotion Depth on New Versus Established Customers: Three Field Studies," *Marketing Science* (2004).

4 Sunil Gupta and Valarie Zeithaml, "Customer Metrics and Their Impact on Financial Performance," *Marketing Science* (November–December 2006).

5 Genesys, *Genesys Global Consumer Survey* (2007).

6 Aspect Software, *The 2007 Aspect Contact Center Satisfaction Index* (2007).

Extensive academic and commercial research shows that gains in customer satisfaction and retention translate into economic value for the firm. Poor customer care has just the opposite effect.

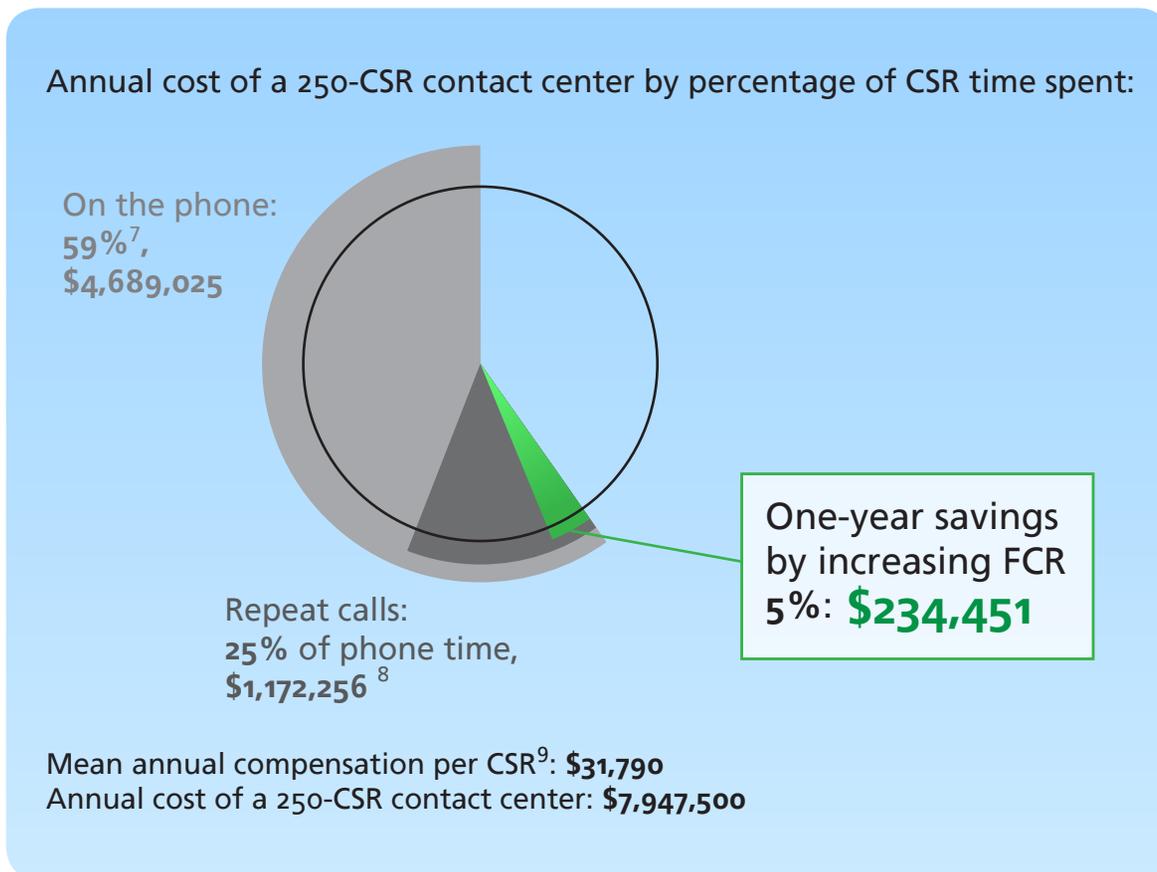
## Cost Savings

Increasing first call resolution rates has direct economic benefits to the enterprise. For example, when FCR increases, the total volume of calls declines, meaning fewer customer service representative (CSR) hours are required.

As illustrated in Figure 2, an inbound contact center with 250 agents can save nearly \$235,000 annually (or the equivalent of seven full-time agents), by increasing FCR by only 5 percentage points, from 75 percent to 80 percent. This analysis considers only direct labor costs. Factoring in network services costs, seat licenses, service contract fees, hardware, training, internal IT support costs, facilities and supervision adds substantially to potential savings. In addition, repeat calls often require supervisor or subject matter expert (SME) intervention at a substantially higher labor cost than agents.

It is also important to consider the opportunity costs. If one out of five calls is a follow-up to a previous call, precious talk time is being diverted from higher-value activities such as generating revenue through cross-sells, up-sells and lead referrals.

Figure 2: Labor Cost Savings by Increasing FCR 5%



<sup>7</sup> ContactBabel, survey (2009).

<sup>8</sup> International Customer Management Institute, "ICMI Member Research Report on First Contact Resolution" (2008).

<sup>9</sup> U.S. Bureau of Labor Statistics for Customer Service Representatives (2008).

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### So, Why Don't More Contact Centers Track FCR?

Good question. The facts supporting the need to track and monitor are compelling. Yet according to ICMI and other sources, only about half of contact centers currently measure FCR for phone calls handled by live agents.

Beyond the basic difficulty in even defining FCR is finding a mechanism for accurately measuring the metric. The methods in use vary widely, as shown in Figure 3:

Figure 3: Methods for Measuring FCR<sup>10</sup>

Call monitoring	27.6%
FCR application	26.3%
Post-call live phone survey	19.1%
Agent judgment	18.4%
Post-call automated survey	15.8%
Agents ask caller if query was fully resolved	10.5%
Post-call automated email survey	9.9%
Post-call mail survey	9.9%

The most common approach is call (or quality) monitoring. In this method, a supervisor reviews the call and judges whether or not the issue was fully resolved. This is a reasonable approach. In addition to collecting the FCR metric, the supervisor is able to identify

<sup>10</sup> Ibid.

causes of repeat calls. Armed with that knowledge, he or she can develop action plans for agents that have problems with FCR. The most significant problem with the call monitoring method is small sample size. Only about one-half of 1 percent of calls are actually evaluated, and these are rarely selected on a random basis. Additionally, it may be difficult to determine whether or not the issue was fully resolved from the recorded interaction.

Increasingly, contact center management is using voice-of-the-customer surveys to measure FCR. Many experts in the field believe this is the most accurate approach because only the caller knows for sure if the issue was completely resolved. Early practices were to conduct telephone surveys of a random sample of callers. This approach proved costly, time-consuming and error-prone in that the caller may not clearly remember the interaction. Today, automated post-call surveys capture the callers' opinions immediately after the interaction. FCR data can be tracked to individual agents and included as rating criteria in quality evaluations. If all calls are recorded, it may be possible to retrieve specific calls to determine why the issue was not resolved on the first call.

A method practiced by about 10 percent of contact centers that measure FCR is requiring agents to ask "Is there anything else I can help you with?" or "Have I fully resolved the reason for your call today?" at the conclusion of each call. Agents enter "yes" or "no" in the CRM system and results are tabulated by the software. This method is easily implemented and requires no investment in specialized software or automated surveys. However, this method presents several shortcomings, such as:

- The agent may forget to ask the question.
- The agent may be tempted to enter "yes" when the answer is actually "no."
- Increased handle time as the agent obtains the information and enters into the CRM.

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## Causes of Repeat Calls

Measuring FCR is only the first step. The greater task is finding ways to reduce the frequency of repeat calls. This requires an understanding of why customers felt they had to contact the company more than once about the same subject. Some of the most common causes of repeat calls include:

- Absence of information
- Poor call control
- Lack of authority to solve problems
- Agents are unaware of recent events
- Agent provides unclear or incorrect information
- Long holding times
- Corporate policies

### Absence of Information

The greatest impediment to FCR improvement is the lack of quick access to information. The agent needs to know as much as reasonably possible about the caller when he or she takes the call. An important piece of information often lacking is the call history. Re-treading old ground frustrates the caller and adds unnecessarily to handle time. It is very important for the agent to know if this is a repeat call – and what actions have already been taken to resolve the issue. It is also essential that the agent have quick and easy access to a knowledge base. Finally, agents need to be able to quickly reach SMEs.

### Poor Call Control

Agents must have the requisite skills to keep the caller on point. This means quickly identifying the reason for the call and focusing the discussion on that specific topic. If the caller wanders off on tangential points, the probability of having all the answers declines, which leads to agent callbacks or repeat calls.

## Lack of Authority to Solve Problems

Issues get escalated for two reasons: the agent does not know the answer or does not have the authority to solve the problem.

## Agents Are Unaware of Recent Events

One of the top priorities of contact center management is keeping up with what is going on around them. Agents should not be caught off guard by surprises such as new campaigns, major press releases, delivery or quality problems, or new product or service announcements.

## Agent Provides Unclear or Incorrect Information

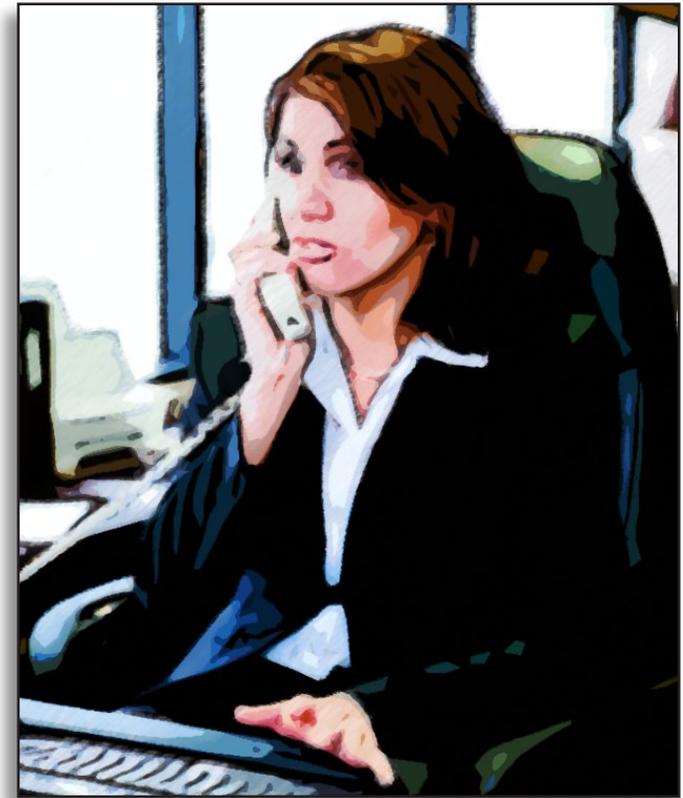
If the caller receives erroneous or ambiguous information, he or she may have to call back for further clarification. This problem is fully addressable through the tools and resources available at the contact center. It helps if your software can track repeat calls and examine call history. Managers can then go back to the call recording system and isolate the interactions that account for the majority of callbacks.

## Long Holding Times

Callers that have been holding for what (in their view) is an excessively long time aim "to get their money's worth" when they finally connect to an agent.

## Corporate Policies

The policies are what they are. Customers can call back as often as they want but there is not much that can be done at the contact center level. However, senior management needs to know if certain policies are contributing to customer defections. An effective way to dramatize the issue is to share selected recorded interactions with management. Hearing the customers in their own voice makes a powerful impact.



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## Best Practices

Management can drive down the frequency of repeat calls through process and technology solutions.

Following is a summary of actions that can help increase FCR rates:

- Agree on a data collection method
- Establish reasonable goals
- Reward achievement
- Include FCR as an evaluation metric
- Train agents on call control techniques
- Provide advance information on new products, services, prices, policies, etc.
- Revisit policies that are a major source of repeat calls
- Empower agents to make small concessions
- Provide quick and easy access to knowledge base
- Compile a list of SMEs
- Solicit feedback from agents on ways to improve FCR

### Agree on a Data Collection Method

Choose a method that works for you. Don't get so caught up in the details that they prevent you from implementing data collection. What's most important is that the method is consistent. Changes and individual variations are more important than absolute numbers.

## Establish Reasonable Goals

It is very important that FCR targets not unduly impede the achievement of other objectives. Like all metrics, goals need to be tailored to the situation. For example, there will be a trade-off between FCR and AHT. You don't want to annoy callers and drive up costs by keeping callers on the phone for an extended period while the agent looks up documents and contacts SMEs. Depending on the priority of the situation, it may be preferable to promptly call back or send an email message after the agent has researched the answer. Targets must be realistic and reflect a balance of multiple objectives.

## Reward Achievement

Recognition often means more to people than modest financial incentives.

## Include FCR as an Evaluation Metric

Adding FCR as an evaluation metric underlines its importance to the enterprise and encourages agents to seek training and develop their own best practices.

## Train Agents on Call Control Techniques

It is important to isolate the reason for the call and stay on point.

## Provide Advance Information

A very basic step that is too often overlooked is making sure contact center management is informed of any changes or events that could catch agents off-guard if they are not given instructions on how to deal with the situation. Contact center management should maintain ongoing communications with the marketing department to make sure they are aware of new promotions, price changes, new products and services, and other initiatives or events that could cause an increase in call volume.



## Revisit Policies That Are a Major Source of Repeat Calls

Business policies can be a source of repeat calls. Credits, returns, shipping charges, billing cycles, late charges, promotions and warranties are all examples. If certain policies are causing a disproportionate number of repeat calls as well as engendering ill-will on the part of customers, contact center management needs to escalate the issue. The data in this document clearly demonstrates the importance of customer satisfaction to the health of the enterprise. Senior management may not be aware of some of these facts and figures. If changes cannot be made, then every agent must fully understand the policies and be able to clearly explain them without having to consult others.

## Agent Empowerment

One of the most common reasons for repeat calls is the agent's lack of authority to amicably resolve disputes on the spot, without escalating the call up the chain of command. Empowering agents to do something as simple as granting some free minutes or waiving shipping charges costs the company little and does wonders for both customer satisfaction and agent morale.

## Provide a Knowledge Base

Providing agents with the information they need when they need it will cut down on handle time while boosting FCR rates. All contact centers should provide agents with some form of knowledge base. This could be as simple as collections of paper files and stacks of binders. Providing this information in a searchable electronic form makes it much easier for agents to find quickly locate answers. Another advantage of electronic databases is control; supervisors can be assured that everyone has the same information and it is up to date.

## Compile a List of Subject Matter Experts

Another helpful practice is to provide agents with a list of SMEs, including their areas of expertise and preferred method of communication. According to research conducted by Aspect, about 10 percent of calls require consultation with a supervisor or subject matter expert.

## Solicit Feedback from Agents

Agents likely know the most common reasons for repeat calls and agent call backs. Tap this resource. Discuss with your agents why this is so important, show them how you are calculating FCR, set reasonable objectives and identify corrective actions with them. Agent commitment is essential.

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## 10 Secrets to Boosting FCR Using the CallCopy Solution

While there are a number of advanced customer relationship management (CRM) and interactive voice response (IVR) systems that can increase FCR rate, they are often out of reach for the small to midsize contact center. We are intrigued with the power of CallCopy's cc: Discover suite. The suite consists of a robust recording platform and add-on modules for quality monitoring, creating evaluation forms, screen recording, customer feedback surveys and speech analytics.

Repeat Caller Report

Start Date: 1/1/2010 End Date: 12/31/2010 Call Direction: Incoming

ANI:

1 of 2 Select a format Export

### Repeat Caller Report

For Friday, January 01, 2010 to Friday, December 31, 2010

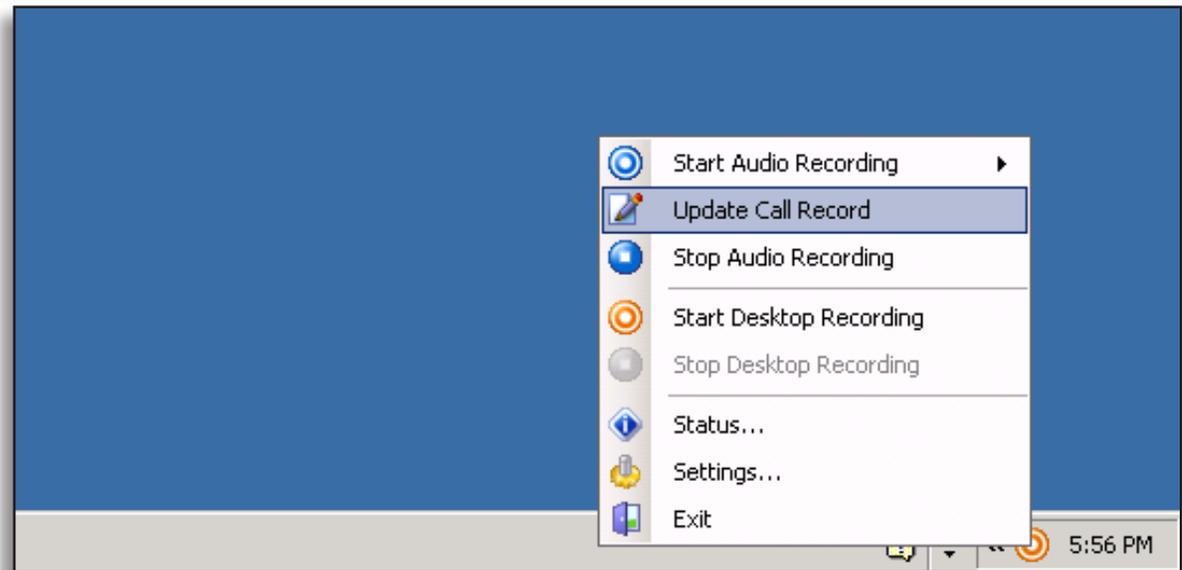
ANI	# Calls Observed
6145556584	4
6145557867	3
6145554351	3
6145557862	6
6145553324	3
6145559635	3
6145558773	8
6145557366	3
6145555428	4
6145559430	3

### Secret #1: Locate Repeat Callers, Establish Current FCR Rate

- From the query tool within cc: Discover, establish search rules to capture and count all calls from the same calling number, account number or case number that occurred within a specified time interval.
- Specify how the calls will be tabulated and reported; e.g., by agent, team, site, month, etc.
- Divide the number of repeat calls by total inbound calls. This will yield the percentage of all calls that were repeat calls. The reciprocal is the FCR rate.
- Define how you want the data reported.

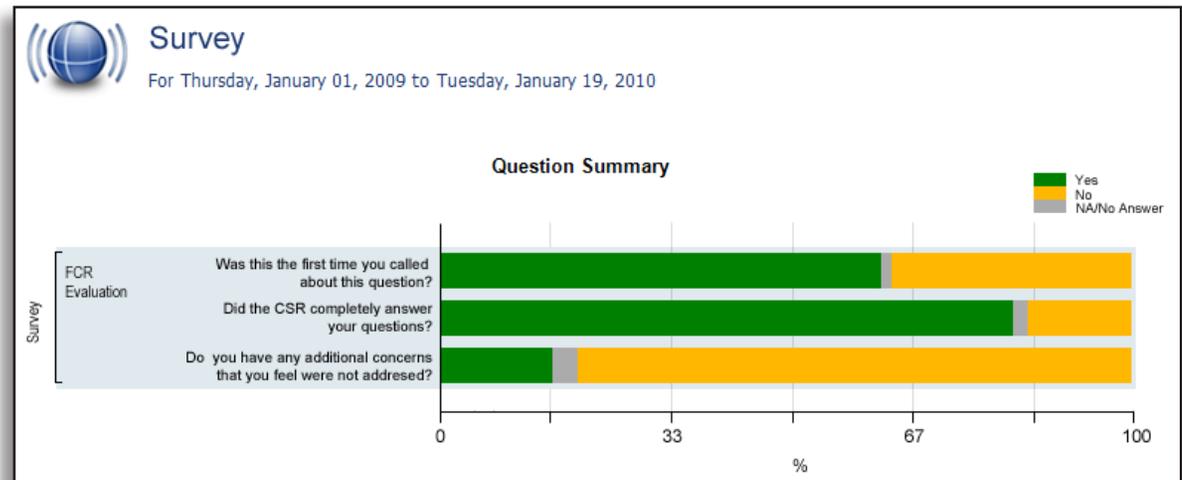
## Secret #2: Implement a Closing Code Protocol and Assess the Results

- Train agents on how to recognize a repeat call.
- Instruct them on how to code or tag repeat calls so they can be identified for reporting and QA purposes.
- Use the search tool to capture and quantify tagged repeat calls.
- Define and run reports.



## Secret #3: Employ Post-Call Survey Questions That Indicate FCR

Add a couple of yes/no questions such as, "Was this the first time you called about this question?" and/or "Did the customer service representative completely answer your questions?"



## Secret #4: Leverage Speech Analytics to Identify Repeat Calls

Use the speech analytics module (cc: Analytics) to search for key words or phrases such as “called before,” “last time I called,” etc.

#	Time	Tag	Text
1	00:04	FCR	called before
2	01:20	FCR	last time I called

Customer: T. Stelloh  
01:25/12:38  
FCR called before

City Name: Ubilla  
Primary Address: 25  
Primary Address City: Miami  
Primary Address State: FL

## Secret #5: Utilize QM to Pinpoint Underlying Issues Contributing to Repeat Calls

Have supervisors or quality auditors listen to samples of repeat calls to identify recurring causes.

## Secret #6: Use Survey Questions to Identify Common Causes of Repeat Calls

If the caller indicates that it was a repeat call, provide a short list of known common causes to which they can provide a yes/no touch-tone response.

## Secret #7: Identify Calls Requiring Additional Follow-Up or Resources Through Key Word/Phrase Spotting

Using cc: Analytics, build categories around common words or phrases such as “billing problem,” “return policy,” “advertising,” etc. to receive notification of terms that may indicate a repeat call.

## Secret #8: Track FCR as a QM Evaluation Metric

Include FCR as an evaluation metric and weight it accordingly to underline the importance of resolving queries on the first call.

The screenshot shows a QM evaluation form for 'First Call Evaluation'. The question is 'Has caller called multiple times about t...'. The type is 'Dropdown'. There are two response options: 'Yes' and 'No', both with 'Possible Points' of 0. The 'Auto Fail' dropdown is set to 'None' for both responses. There are 'Selected' checkboxes for each response. A 'Create New Response' button is at the bottom.

## Secret #9: Incorporate FCR Techniques Into Your Coaching Program

- Use examples of superior agent performance as a teaching and coaching tool.
- Based on evaluation sessions, supervisors can provide coaching assistance on call control, new products, corporate policies and other factors that drive repeat calls.
- Use screen capture functionality to determine if agents understand how to use the knowledge base tools at their disposal.

## Secret #10: Empower Employees by Providing Accessible, Up-to-Date Information

- Use cc: Insight's update ticker to scroll messages and other content to ensure agents always have the latest available information.
- Customize cc: Insight to display individual QA metrics, including FCR rates. When coupled with incentives this can be a powerful motivator.

The screenshot shows the CallCopy cc: Insight dashboard. It features a 'World Clock' showing 'Local Time 3:34:33 p.m.'. The dashboard is divided into two main sections: 'Agent Call Metrics' and 'FCR Rate'. The 'Agent Call Metrics' section shows 'Calls Handled' (27) and 'Average Handle Time' (3:14). The 'FCR Rate' section shows 'Calls Evaluated' (277) and 'Rate' (82%). There are navigation tabs for 'Today', 'Yesterday', 'Past 7 Days', and 'Past 30 Days' for both sections. A 'See By Hour' link is under 'Average Handle Time' and a 'See By Form' link is under 'Rate'. A footer message reads: '... Remember to remind customers to check order status online ...'.

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## Conclusions

Today, few businesses can increase prices without risk of losing customers. New products and services can produce short-term gains but are quickly matched by competitors. Senior management now understands that the quality of customer care is a significant differentiator that is not easily replicated by others. They are demanding metrics that measure the quality of customer care. First call resolution is a major driver of customer satisfaction and a metric that every contact center that seeks to be best-in-class should monitor and manage. There are challenges in capturing the metric and understanding how to drive improvement. The good news is that technology solutions are available to ease the pain and companies like CallCopy make them affordable.



### About the Author

Dick Bucci is principal of Pelorus Associates where he specializes in contact center technologies. He has authored nine in-depth reports on workforce optimization applications and more than 30 whitepapers. As one of the industry's foremost thought leaders, his articles and observations have appeared in trade and business publications around the world. He has more than 30 years of experience in the telecommunications industry. For more information, visit [www.pelorusassoc.com](http://www.pelorusassoc.com).

### About CallCopy

CallCopy, a leading provider of innovative call recording and contact center solutions, is dedicated to ensuring the highest standards of customer and employee satisfaction. The award-winning, enterprise-proven cc: Discover suite delivers advanced [call recording](#), [screen capture](#), [quality management](#), [speech analytics](#), [performance management](#), [customer survey](#) and workforce management capabilities to organizations of all sizes and industries across the globe.

CallCopy empowers these organizations to gather business intelligence, which is leveraged to maximize operational performance, reduce liability, achieve regulatory compliance and increase customer satisfaction.

For more information, visit [www.callcopy.com](http://www.callcopy.com).

